

The accounts for the 1942–43 season comprise Purchase and Sale and Revenue Accounts, Administration and General Expenses Account, and Dairy Produce Account.

It will be observed from the accounts that the Purchase and Sale and Revenue Accounts show a surplus at 31st July, 1943, of £709,724. The Dairy Produce Account at 31st July, 1943, shows a deficit of £240,837, subject to contingent liabilities (see page 30) of £230,000.

MEAT

REVIEW OF COMPLETED OPERATIONS FOR THE 1941–42 SEASON

The contract between the United Kingdom and the New Zealand Governments for the 1941–42 season (the third year of war) provided for the purchase of 190,000 tons of frozen meat shipped or unshipped and 37,150 tons of canned meats. The equivalent in carcass meat of 37,150 tons of canned meat is 111,500 tons, so that the contract for purchase of frozen and canned meats for the 1941–42 season represented a total quantity of 301,500 tons of carcass meat.

It was provided that if the Dominion should not succeed in canning the contract quantity of 37,150 tons, the surplus carcass meat would fall to be dealt with under the terms of the paper issued by the United Kingdom Government, "Statement of Policy in regard to New Zealand Surpluses." Briefly, the terms of this Surpluses Agreement provided for a production objective for New Zealand for the 1941–42 season of 301,500 tons of meat, made up, as stated above, of 190,000 tons of frozen meat plus 111,500 tons of carcass meat for canning. The United Kingdom Government agreed to share equally with the New Zealand Government in the liability for the production of this 301,500 tons of meat, but any production in excess of this figure would be the entire responsibility of the New Zealand Government. The United Kingdom Government undertook to lift additional quantities of frozen meat if freight became available.

It is pleasing to record that owing to the extremely satisfactory clearances of frozen meat during the year, the Surpluses Formula did not become operative. Actually the production objective of 301,500 tons was considerably exceeded, as shown by the following figures:—

	Season 1941–42.
	Tons.
Production for export (gross)	359,955
Less boning and trimming, &c.	23,648
Production for export (net)	336,307
Less canning (carcass equivalent)	63,086
Balance for export, frozen	273,221
Actual shipments of frozen meat, 1941–42 season	297,866

As stated above, the shipments of frozen meat for the 1941–42 season ended 30th September, 1942, totalled 297,866 tons, which left a carry-over in store at the end of September, 1942, of 40,567 tons of export meat. This figure compares very favourably with the carry-over position in the previous year, when at the end of September, 1941, meat in store for export totalled 77,902 tons. The whole of this "carry-over" meat was shipped well before the end of 1942. Contributing to this excellent clearance were the deliveries of frozen meat to the United States Joint Purchasing Board in the latter part of 1942, amounting to approximately 5,892 tons.

BULK PURCHASE OF 1942–43 SEASON'S MEAT BY UNITED KINGDOM GOVERNMENT

In October, 1942, the United Kingdom Ministry of Food undertook to purchase meat for the calendar year 1943 up to a total quantity of 328,000 tons. By April, 1943, the general shipping situation had improved to such an extent that the Minister of Food notified the New Zealand Government that the Ministry was prepared to buy the whole of the New Zealand exportable surplus without any limitation as to quantity.

The increase in prices which took effect from the 1st October, 1941, remained in operation unchanged throughout the 1942–43 season. (See page 10 of annual report for year ended 31st July, 1942.)

Frozen meat shipments during the early part of 1943 were very limited, but later improved substantially, with the result that it is now anticipated that the total quantity of frozen meat which will be shipped for the twelve months ended 30th September, 1943, will be approximately 217,632 tons, which, with deliveries of frozen meat to the United States Joint Purchasing Board, amounting to a further 28,205 tons, will result in a "carry-over" of meat for export at 30th September, 1943, of 32,631 tons, the smallest "carry-over" since the commencement of the war.

PURCHASE AND SALE PROCEDURE, 1942–43 SEASON

For the 1942–43 season the New Zealand Government again agreed to purchase the normal exportable surplus of meat under an arrangement similar to that which obtained for the previous season.

The opening schedules for fat stock were, in the main, the same as for the 1941–42 season, and the Marketing Department's f.o.b. buying prices were fixed accordingly to enable meat operators to pay these prices to farmers. This necessitated an increase in the Department's f.o.b. prices to compensate for lower pelt values.

The opening schedule prices were arranged as above, subject to any addition to last season's value of slipe wool. Later, 10 per cent. out of the 15 per cent. increase received by the New Zealand Government for slipe wool was reflected in the schedule prices from the commencement of the season. The remaining 5 per cent. of this increase is being paid into the Meat Pool Account. The f.o.b. (New Zealand currency) purchase-prices payable to freezing companies and meat exporters for the 1942–43 season are set out in the Meat Marketing Order 1942, Amendment No. 1.

The general agreement in respect of the 1942–43 season, which was concluded between the Government and the Meat Board on behalf of the producers of meat for export, is set out in the following letter from the Hon. the Minister of Marketing to the Chairman of the Meat Board:—

1. The Government agree to purchase the normal exportable surplus for the 1942–43 production year subject to any restrictions on killing that may be rendered necessary by shipping, marketing, or other difficulties. Any restrictions will be made only after full consultation with your Board.